



BASEL III PILLAR 3

Market Discipline of The City Bank Ltd.

**Disclosure on Risk Based Capital
Annual Disclosure for the year ended December 31, 2018**

Basel III Pillar 3: Disclosures on Risk Based Capital

Introduction

Capital management is considered as an integral part of the risk management of the bank as capital ensures cushion against any loss suffered by the bank and saves bank from running off. Banking Industry of Bangladesh entered into the Basel III from Basel II regime since 1 January 2015. Therefore, City Bank has applied the Basel III framework as part of its capital management strategy. Like Basel II, Basel III accord is also made up of three pillars; namely

- **Pillar 1** (Minimum Capital Requirement) covers the calculation of risk-weighted assets and minimum capital requirement for credit risk, market risk and operational risk
- **Pillar 2** (Supervisory Review Process) intends to ensure that the Banks have adequate capital to address all the risks in their business
- **Pillar 3** (Market Disclosure) speaks of ensuring market discipline by disclosing adequate information to the stakeholders

Disclosures are intended to inform the general market participants about the scope of application of new capital adequacy framework, capital of the Bank, risk exposures of the Bank, Bank's risk assessment processes, its risk mitigation strategies and practices and capital adequacy of the bank through disclosure format in line with the Bangladesh Bank BRPD Circular no. 18 dated December 21, 2014 as to "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel III)".

The report is prepared once a year, except in exceptional circumstances, according to Disclosure Policy of City Bank and Bangladesh Bank's guidelines. For the ease of stakeholders, it is also made available at City Bank's web site.

Key Metrics (Solo Basis):

Capital to Risk Weighted Asset 13.42% 2017: 14.71%	Common Equity Tier I Capital ratio 8.29% 2017: 10.15%	Leverage Ratio 5.24% 2017: 6.37%
Total Eligible Capital Tk 3,481.11 crore 2017: Tk 2,975.45 crore	Common Equity Tier I Capital Tk 2,150.71 crore 2017: Tk 2,052.24 crore	Tier II Capital Tk 1,330.40 crore 2017: Tk 923.21 crore
Total Risk Weighted Asset Tk 25,941.28 crore 2017: Tk 20,221.04 crore	Credit Risk RWA Tk 22,725.01 crore 2017: Tk 17,460.19 crore	Credit Risk RWA density 87.60% 2017: 86.35%

Presentation of information

In this report, City Bank's information is presented on solo and consolidated basis. All amounts in the tables of this Pillar 3 disclosure are denominated in Bangladeshi Taka, unless stated otherwise. Certain figures in this document have been calculated using rounded figures.

Table 1: SCOPE OF APPLICATION

Qualitative Disclosures	
<p>a) The name of the top corporate entity in the group to which this guidelines applies.</p>	<p>Name of the Bank is The City Bank Ltd. However, the bank does not belong to any group.</p>
<p>b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group</p> <p>(a) That are fully consolidated;</p> <p>(b) That are given a deduction treatment;</p> <p>(c) That are neither consolidated nor deducted (e.g. where the investment is risk-weighted).</p>	<p>Presently City Bank does not have any Associates and/or Joint Venture, but has three subsidiaries. These are</p> <p>a. The City Brokerage Limited: City Brokerage Limited was incorporated on 31 March, 2010 as a private limited company under the Companies Act, 1994, vide certificate of incorporation no. C83616/10. The registered office of the company is situated at City Centre, Level 13, 90/A Motijheel C/A, Dhaka-1000. The company has four branches in Dhaka located at Motijheel, Gulshan, Dhanmondi and Nikunja, and two other branches at Chittagong and Sylhet. The legal status of the company has been converted into public limited company from private limited company in June 2012 in compliance with Bangladesh Securities and Exchange Commission (Stock Dealer, Stock Broker and Authorised Representatives) Rules, 2000. On 31 December 2018 the Bank held 99.99% shares of the company.</p> <p>b. City Bank Capital Resources Limited: City Bank Capital Resources Limited (CBCRL) was incorporated in Bangladesh as a private limited company on 17 August 2009 vide registration no. C-79186/09 under the Companies Act, 1994. The registered office of CBCRL is at 10 Dilkusha Commercial Area, Jibon Bima Tower, Dhaka -1000. CBCRL delivers a whole range of investment banking services including merchant banking activities such as issue management, underwriting, portfolio management and corporate advisory. On 31 December 2018 the Bank held 99.99% shares of CBCRL.</p> <p>c. CBL Money Transfer SDN BHD: CBL Money Transfer Sdn. Bhd. (CMTS) is a private limited company by shares incorporated under the laws of Malaysia and registered with the Companies Commission of Malaysia with Registration No. 769212M carrying on money services business under the Money Services Business Act 2011 under a Class B License No. 00127 from the Bank Negara Malaysia. CMTS is principally engaged as inbound and outbound remittance service provider. The Bank entered into an agreement on 4 April 2013 to purchase 75% of ordinary shares of CMTS with an agreement to acquire 100% shares of CMTS ultimately and the company became and started as subsidiary of the Bank since 5 August 2013. On 31 December 2018 the Bank held 100% shares of CMTS.</p> <p>The financials are fully consolidated of all the subsidiaries, which have been prepared in accordance with BAS 27: Consolidated Financial Statements and Accounting for investment in subsidiaries. Intercompany transaction and balances are eliminated; minority interest of Tk. 0.01 crore has been added in the Tier-1 capital.</p>
<p>c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.</p>	<p>Not applicable</p>

Quantitative Disclosures	
The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.	Not Applicable

Table 2: CAPITAL STRUCTURE

Qualitative Disclosures			
Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or Tier 2.	<p>Regulatory capital base is quite different from Accounting capital. As per Bangladesh Bank guidelines based on Basel III accord, regulatory capital is classified into two broad categories namely Tier I Capital also known as going concern capital and Tier II Capital also known as gone concern capital. Additionally, Tier I Capital is further divided into two categories namely Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1).</p> <ul style="list-style-type: none"> ▪ Common Equity Tier-1 (CET1) capital of City Bank consists of Fully Paid-up Capital, Statutory Reserves, Share Premium, General Reserve, Retained Earnings, Dividend Equalization Fund and Minority Interest in its subsidiary in case of consolidation. ▪ Tier-2 capital of City Bank consists of general provision, applicable percentage of revaluation reserves and subordinated debt. ▪ At present, City Bank doesn't hold any Additional Tier 1 (AT1) Capital. 		
Quantitative Disclosures			
Eligible Regulatory Capital Base as on 31 December 2018 (Tk in crore):			
Sl. No.	Particulars	Solo	Consolidated
(a)	Common Equity Tier I Capital (CET- 1)		
a.1	Fully Paid-up Capital	967.99	967.99
a.2	Statutory Reserve	800.16	800.16
a.3	Non-repayable Share Premium account	150.44	150.44
a.4	General Reserve	1.14	1.14
a.5	Retained Earnings	288.29	206.89
a.6	Minority Interest in Subsidiaries	-	0.01
a.7	Dividend Equalization Reserve	53.08	53.08
a.8	Sub-total Common Equity Tier I Capital (CET- 1)	2,261.09	2,179.70
(b)	Deductions from CET-1		
b.1	Book value of goodwill which are shown as assets	-	(3.45)
b.2	Deferred Tax Asset	(104.27)	(104.26)
b.3	80% of Excess investment in equity of other banks, FI and Ins Co.	(6.11)	(197.00)
(c)	Total Common Equity Tier I Capital	2,150.71	1,874.99
(d)	Additional Tier I Capital	-	-
(e)	Total Tier I Capital	2,150.71	1,874.99
(f)	Tier II Capital		
f.1	General Provisions (provisions for UC + SMA + OBS exposure)	447.64	447.64
f.2	Revaluation Reserves (50% of Fixed Assets & Security, 10% Equity)*	49.37	49.70
f.5	Tier II Subordinated Bond	880.00	880.00
f.6	Sub-Total of Tier II Capital	1,377.01	1,377.34
(g)	Deduction from Tier II Capital		
g.1	Phase-in deduction of Revaluation Reserves as per RBCA guidelines	(39.49)	(39.76)
g.2	80% of Excess investment in equity of other banks, FI and Ins Co.	(7.11)	(25.23)
(h)	Total Tier II Capital	1,330.40	1,312.35
(i)	Total Eligible Regulatory Capital	3,481.11	3,187.34

* As on 31 December 2014

Table 3: CAPITAL ADEQUACY

Qualitative Disclosures	
<p>A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.</p>	<p>Approaches followed by Bank for Capital Calculation:</p> <p>Banking industry of Bangladesh made the transition to Basel III from Basel II since the beginning of 2015. In this regard, Bangladesh Bank, in line with the Basel Committee on Banking Supervision (BCBS) recommendations and international best practices, issued revised guideline on Risk Based Capital Adequacy based on Basel III with the purpose of fully implementing it by the end of 2019. Accordingly, City Bank applied the Basel III framework as part of its capital management strategy and remained fully capital compliant throughout 2018. Also as per BB directive, City Bank is applying following approaches for its risk wise capital calculation.</p> <ul style="list-style-type: none"> ▪ Credit Risk: Standard Approach (SA) ▪ Market Risk: Standard Approach (SA) ▪ Operational Risk: Basic Indicator Approach (BIA) <p>Risk Weighted Assets of the Bank:</p> <p>As on 31 December 2018, Total Risk Weighted Asset (RWA) of the bank was Tk 25,941.28 crore on solo basis and Tk 26,154.38 crore on consolidated basis where Credit risk accounted for 87.60% and 84.96% respectively of RWA followed by Operational risk for 8.98% and 9.33% respectively and Market risk for 3.42% and 5.71% respectively. In order to improve the capital requirement under credit risk, City Bank continuously pursue for external credit rating of its client base. At the end of 2018, City Bank managed to cover around 79% of its total eligible loans under valid external credit rating.</p> <p>Compliance with Regulatory Requirements:</p> <p>As per Basel III guideline, Minimum Capital Requirement (MCR) for the banks in Bangladesh is currently 10% of its total RWA with the addition of Capital Conservation Buffer which is 1.875% of total RWA in 2018. City Bank is well ahead of this minimum target both on Consolidated and on Solo basis as of December 2018. City Bank maintained</p> <ul style="list-style-type: none"> ▪ Capital to Risk Weighted Asset Ratio (CRAR) of 13.42% on solo basis and 12.19% on consolidated basis ▪ Tier I capital ratio of 8.29% on solo basis and 7.17% on consolidated basis against the required level of 6.00%. ▪ Tier II capital is 61.86% of CET I on Solo basis and 69.99% of CET I on consolidated basis against the maximum limit of 88.89%. ▪ Capital Conservation Buffer for 2018 was 1.875% of RWA <p>Excess Capital to Support Current and Future Activities:</p> <p>As a result, City Bank managed to maintain surplus capital of 1.54% on solo basis and 0.31% on consolidated basis. The surplus capital maintained by City Bank will act as cushion to absorb all material risks under Pillar II and to support the future activities of the bank. Furthermore to ensure the adequacy of capital, the bank draws assessment of capital requirements periodically considering future business growth.</p>

Quantitative Disclosures			
Capital Requirement under Credit, Market and Operational Risk (Tk in crore)			
Sl. No.	Particulars	Solo	Consolidated
1.0	Capital requirements for Credit Risk:	2,272.50	2,222.16
1.1	Portfolios subject to standardized approach-Funded	1,701.60	1,651.26
1.2	Portfolios subject to standardized approach-Non-Funded	570.90	570.90
2.0	Capital requirements for Market Risk	88.68	149.42
2.1	Interest rate risk (Standardized Approach)	3.15	3.15
2.2	Equity risk (Standardized Approach)	58.40	119.14
2.3	Foreign exchange risk (Standardized Approach)	27.13	27.13
3.0	Capital requirements for Operational Risk (Basic Indicator Approach)	232.95	243.86
4.0	Total Capital Required	2,594.13	2,615.44
5.0	Capital Ratios		
5.1	Total Capital Ratio	13.42%	12.19%
5.2	CET I Capital Ratio	8.29%	7.17%
5.3	Total Tier I Capital Ratio	8.29%	7.17%
5.4	Tier II Capital Ratio	5.13%	5.02%
6.0	Capital Conservation Buffer (1.875% of RWA)	486.40	490.39
7.0	Available Capital under Pillar II requirement	400.59	81.51

Table 4: CREDIT RISK

Qualitative Disclosures	
<p>The general qualitative disclosure requirement with respect to credit risk</p> <ul style="list-style-type: none"> ▪ Definitions of past due and impaired (for accounting purposes) ▪ Description of approaches followed for specific and general allowances and statistical methods ▪ Discussion of the bank's credit risk management policy 	<p>Credit Risk: Credit risk refers to the probability of loss due to a borrower's failure to make payments on any type of debt. For most banks, loans are the largest and most obvious source of credit risk. However, there are other sources of credit risk both on and off the balance sheet. Off-balance sheet items include letters of credit, non-funded loan commitments, and lines of credit etc. Credit risk management is the process of mitigating those losses by understanding the adequacy of both a bank's capital and loan loss reserves at any given time.</p> <p>Credit Risk Management at City Bank: In City Bank, credit generally originated from Corporate, Commercial, SME and Retail segment. Credit of Corporate, Commercial and SMEM business are being processed by Credit Risk Management Division (CRMD), while SME-SB and Retail credit are processed by Credit & Collection, Retail & Small Business Risk Division. After approval, Credit Administration Division (CAD) disburses the credit approved by Credit Risk Management Division (CRMD), while Asset Operation team of Credit & Collection, Retail & Small Business Risk Division disburses for the SME-SB and Retail Credit. Classified credits are handled by Special Asset Management Division (SAMD) where the same of Retail & SME-S business are handled by Collection team of Credit & Collection Division, while both divisions are supported by Legal Division. Additionally, Internal Control and Compliance Division (ICCD) conducts on-site and off-site audit for all credits.</p> <p>City Bank has a structured Credit Risk Management Policy known as Credit Policy Manual (CPM) approved by the Board of Directors in 2008 and which was last reviewed in 2017. The CPM defines organization structure, role and responsibilities and, the processes whereby the credit risks carried by the bank can be identified, quantified and managed within the framework that the bank considers consistent with its mandate and risk tolerance.</p> <p>Besides the CPM, City Bank also frames Credit Instruction Manuals (CIMs) as and when necessary to address any regulatory issues or establish control points. Bank also has a system of identifying and monitoring problem accounts at the early stages of their delinquency through implementation of 'Sales Routine', a customized tool for Past Due management, so that timely corrective measures are initiated. Retail and SME-SB segment offer some customized products and there are separate Product Program Guidelines (PPGs) approved by the Board and/or management for each type of customized products.</p> <p>Loan Classification Criterion: Loan products are broadly divided in the following types namely Continuous loan, Demand loan, Fixed term loan and Short term agricultural and Micro credit. City Bank is following the relevant BB guidelines for classification of its loan products. Presently, we have 5 categories of classification on objective criterion, they are: Standard (STD), Special Mention Account (SMA), Sub-standard (SS), Doubtful (DF) and Bad-loss (BL).</p> <p>Definition of past due/overdue:</p> <ol style="list-style-type: none"> i. Any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date ii. Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date iii. In case of any installment(s) or part of installment(s) of a Fixed Term Loan is

- not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue from the following day of the expiry date;
- iv. The Short-term Agricultural and Micro-Credit if not repaid within the fixed expiry date for repayment will be considered past due/overdue after six months of the expiry date.

The summary of some objective criteria for loan classification is as below:

Type of Facility	Overdue Period for Loans Classification		
	Sub Standard	Doubtful	Bad & Loss
Continuous Loan & Demand Loan	3 months or more but less than 6 months	6 months or more but less than 9 months	9 months or more
Fixed Term Loan more than Tk. 10 lac	3 months or more but less than 6 months	6 months or more but less than 9 months	9 months or more
Fixed Term Loan up to Tk. 10 lac	6 months or more but less than 9 months	9 months or more but less than 12 months	12 months or more
Short Term Agricultural & Micro Credit	12 months or more but less than 36 months	36 months or more but less than 60 months	60 months or more

Guidelines for Loan Loss Provisions:

Specific provisions for classified loans and general provisions for unclassified loans and advances and contingent assets are measured as per BB prescribed provisioning rates as mentioned below:

General provision :	Rate
Unclassified (STD &SMA) general loans and advances	1.00%
Unclassified (STD &SMA) small and medium enterprise	0.25%
Unclassified (STD &SMA) Loans to BHs/MBs/SDs against shares etc.	2.00%
Unclassified (STD &SMA) loans for housing finance and on loans for professionals	1.00%
Unclassified (STD &SMA) consumer financing other than housing finance and loans for professionals	5.00%
Unclassified Short term agricultural credit and micro credit	1.00%
Off balance sheet exposures	1.00%
Specific provision :	
Substandard loans and advances other than short term agricultural credit and micro credit	20.00%
Doubtful loans and advances other than short term agricultural credit and micro credit	50.00%
Bad & loss loans and advances	100.00%
Substandard & Doubtful short term agricultural credit and micro credit	5.00%
Doubtful short term agricultural credit and micro credit	5.00%

Quantitative Disclosures

Total gross credit risk exposures broken down by major types of credit exposure

Type wise credit exposure	Amount in crore Tk.
Continuous loan	
Small & Medium Enterprise Financing (SMEF)	1,381.01
Consumer Finance	835.17
Loans to BHs/MBs/SDs against Shares -	101.64
Other than SMEF, CF, BHs/MBs/SDs	2,115.95
Demand loan	
Small & Medium Enterprise Financing (SMEF)	297.70

	Loans to BHs/MBs/SDs against Shares	0.00
	Other than SMEF, CF, BHs/MBs/SDs	8,833.95
	Term loan	
	Small & Medium Enterprise Financing (SMEF)	1,001.49
	Consumer Finance (including staff, other than HF)	1,940.25
	Housing Finance (HF)	726.40
	Loans to BHs/MBs/SDs against Shares	0.26
	Other than SMEF, CF, BHs/MBs/SDs	5,418.74
	Short term agri. credit and microcredit	
	Short term agri. credit	106.41
	Staff loan	380.19
	Total Credit Exposure	23,139.15
Geographical distribution of exposures, broken down in significant areas by major types of credit exposure	Geographical exposure	Amount in crore Tk
	Dhaka	18,875.40
	Chattogram	3,009.78
	Sylhet	121.61
	Rajshahi	581.95
	Khulna	275.10
	Rangpur	210.52
	Barishal	34.33
	Mymensingh	30.46
		Total Exposure
Industry or counterparty type distribution of exposures, broken down by major types of credit exposure	Industry wise distribution of exposure	Amount in crore Tk
	Agri & micro-credit through NGO	1,257.63
	Readymade garments industry	3,925.08
	Consumer credit	3,618.15
	Trade service	2,563.83
	Steel industry	1,601.17
	Textile & spinning mills	999.13
	Real estate financing	1,147.21
	Energy and power industry	2,049.73
	Edible oil and food processing	571.58
	Pharmaceuticals industry	549.94
	Assembling industry	629.86
	Transport, Storage & Communication	393.42
	Service industry	652.43
	Ship breaking & building	166.00
	Construction	140.56
	Chemical industry	101.02
	Hospitals	25.57
	Other manufacturing industry	2,466.64
Others	280.19	
	Total Exposure	23,139.15
Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure	Residual contractual maturity wise exposure	Amount in crore Tk
	Repayable on Demand	2,677.49
	Not more than 3 months	3,961.40
	Over 3 months but not more than 1 year	6,962.86
	Over 1 year but not more than 5 years	7,124.59
	Over 5 years	2,412.80
	Total Exposure	23,139.15

By major industry or counterparty type: <ul style="list-style-type: none"> ▪ Amount of impaired loans and if available, past due loans ▪ Specific and general provisions; and ▪ Charges for specific allowances and charge-offs during the period 	Counterparty wise distribution of impaired loans and past due loans		Amount in crore Tk		
		NPL	SMA		
	Small & Medium Enterprise Financing (SMEF)	527.47	128.62		
	Consumer Financing (Other than HF & LP)	91.68	61.38		
	Loans to BHs/MBs/SDs	-	-		
	Other than SMEF, CF, BHs/MBs/SDs	592.37	347.53		
	Housing Finance (HF)	13.82	8.58		
	Loans for Professionals to setup business (LP)	-	-		
	Short Term Agri. Credit	2.47	-		
	Microcredit	-	-		
	Staff Loan	4.73	-		
	Total Exposure	1,232.55	546.12		
	Particulars of specific and general provisions for entire loan portfolio and off-balance sheet exposures			Amount in crore Tk	
	Specific provision for loans and advances			448.79	
General provision for loans and advances			348.59		
General provision for off-balance sheet exposures			99.05		
<ul style="list-style-type: none"> ▪ Gross Non-Performing Assets ▪ Non-Performing Assets to Outstanding Loans & advances ▪ Movement of Non-Performing Assets (NPAs) ▪ Movement of Specific provisions for NPAs 	Non-Performing Assets		Amount in crore Tk		
	Gross Non-Performing Assets (NPAs)		1,232.55		
	NPAs to outstanding loans and advances (%)		5.33%		
	Movement of NPAs (Gross)				
	Opening balance		1,067.79		
	Additions		873.80		
	Reductions (Cash Recovery, Rescheduling, W/O)		709.04		
	Closing balance		1,232.55		
	Movement of specific provisions for NPAs				
	Opening balance		373.71		
	Less: Fully provided debts written off during year		23.56		
	Less: Fully waived during the year		0.42		
	Add: Recoveries of amounts previously written off		32.50		
	Add: Specific provision made during the year		32.18		
Add: Provision made for Partially write off loans		34.37			
Closing balance		448.79			

Table 05: EQUITIES – DISCLOSURES FOR BANKING BOOK POSITIONS

Qualitative Disclosures																																			
<p>The general qualitative disclosure requirement with respect to equity risk, including:</p> <ul style="list-style-type: none"> ▪ Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and ▪ Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices 	<p>Bank's investment in equity securities are broadly categorized into two categories:</p> <ul style="list-style-type: none"> ▪ Quoted Securities: The instruments are quoted in active markets. These securities include Common shares, Mutual funds listed with Stock Exchanges. These instruments are categorized as trading book assets. Investment in trading book includes securities holding for capital gains, dividend income and securities holding for strategic reasons. ▪ Unquoted Securities: Unquoted Securities have no active market for price quotation. These instruments are categorized as banking book assets. Once unquoted securities get listed in secondary market, is reclassified as quoted and trading book assets. <p>As per Bangladesh Bank circular (ref: BRPD circular number -14 dated June 25, 2003), the quoted shares are valued as per market price in the stock exchange(s). Equity securities holdings in the banking book or unquoted are recognized at cost price.</p> <p>Provisions for shares are maintained for unrealized loss (gain net off) arising from diminution in value of investments. Provision for shares against unrealized loss (gain net off) has been made according to DOS circular number-04 dated 24 November 2011 and for mutual funds (closed-end) according to DOS circular letter no. 3 dated 12 March 2015 of Bangladesh Bank.</p>																																		
Quantitative Disclosures																																			
<ul style="list-style-type: none"> ▪ Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value. ▪ The cumulative realized gains (losses) arising from sales and liquidations in the reporting period. ▪ Total unrealized gains (losses) ▪ Total latent revaluation gains (losses) ▪ Any amounts of the above included in Tier 2 capital. 	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: center;">Particulars (Tk in crore)</th> <th colspan="2" style="text-align: center;">Solo Basis</th> <th colspan="2" style="text-align: center;">Consolidated Basis</th> </tr> <tr> <th style="text-align: center;">Cost Price</th> <th style="text-align: center;">Market value</th> <th style="text-align: center;">Cost Price</th> <th style="text-align: center;">Market Value</th> </tr> </thead> <tbody> <tr> <td>Value of Quoted shares</td> <td style="text-align: right;">100.94</td> <td style="text-align: right;">281.64</td> <td style="text-align: right;">468.12</td> <td style="text-align: right;">776.25</td> </tr> <tr> <td>Value of Unquoted shares</td> <td style="text-align: right;">7.67</td> <td></td> <td style="text-align: right;">14.57</td> <td></td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars (Tk in crore)</th> <th style="text-align: center;">Solo Basis</th> <th style="text-align: center;">Consolidated Basis</th> </tr> </thead> <tbody> <tr> <td>The cumulative realized gains (losses) arising from sales and liquidations in the reporting period</td> <td style="text-align: center;">0.00</td> <td style="text-align: center;">16.10</td> </tr> <tr> <td>Total unrealized gains (losses)</td> <td style="text-align: center;">172.40</td> <td style="text-align: center;">302.52</td> </tr> <tr> <td>Total latent revaluation gains (losses)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Any amounts of the above included in Tier-2 capital</td> <td style="text-align: center;">5.59</td> <td style="text-align: center;">5.65</td> </tr> </tbody> </table>	Particulars (Tk in crore)	Solo Basis		Consolidated Basis		Cost Price	Market value	Cost Price	Market Value	Value of Quoted shares	100.94	281.64	468.12	776.25	Value of Unquoted shares	7.67		14.57		Particulars (Tk in crore)	Solo Basis	Consolidated Basis	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period	0.00	16.10	Total unrealized gains (losses)	172.40	302.52	Total latent revaluation gains (losses)	-	-	Any amounts of the above included in Tier-2 capital	5.59	5.65
Particulars (Tk in crore)	Solo Basis		Consolidated Basis																																
	Cost Price	Market value	Cost Price	Market Value																															
Value of Quoted shares	100.94	281.64	468.12	776.25																															
Value of Unquoted shares	7.67		14.57																																
Particulars (Tk in crore)	Solo Basis	Consolidated Basis																																	
The cumulative realized gains (losses) arising from sales and liquidations in the reporting period	0.00	16.10																																	
Total unrealized gains (losses)	172.40	302.52																																	
Total latent revaluation gains (losses)	-	-																																	
Any amounts of the above included in Tier-2 capital	5.59	5.65																																	

- Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.

Risk Weighted Assets and Capital Charge for Unquoted shares (Tk in crore)	Solo Basis		Consolidated Basis	
	Balance Sheet Amount	RWA	Balance Sheet Amount	RWA
Unquoted shares	5.87	7.34	12.77	15.97
Unquoted shares (venture capital)	1.8	2.7	1.8	2.7
Total Unquoted Shares	7.67	10.04	14.57	18.67
Capital requirement @ 10% of RWA	1.00		1.87	

Table 06: INTEREST RATE RISK IN BANKING BOOK (IRRBB)

Qualitative Disclosures																	
<p>The general qualitative disclosure requirement including the nature of Interest Rate Risk in Banking Book (IRRBB) and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.</p>	<p>Interest Rate Risk: Interest Rate Risk is the risk which affects the Bank's financial condition due to changes of market interest rates. Changes in interest rates affect both the current earnings (earnings perspective) and also the net worth of the Bank (economic value perspective). Bank assesses the interest rate risk both in earning and economic value perspective.</p> <p>Interest Rate Risk Management: Interest Rate Risk Management Policy, Targets and Controls are comprehended in Asset Liability Management Policy of the Bank. Interest rate risk in banking book is measured through the following approaches:</p> <ol style="list-style-type: none"> Interest Rate Sensitivity analysis (Gap Analysis): Interest Rate Sensitivity (or Interest Rate Gap) Analysis is used to measure and manage interest rate risk exposure specifically, bank's re-pricing and maturity imbalances. Gap reports stratify bank's rate sensitive assets, liabilities, and off-balance-sheet instruments into maturity segments (time bands) based on the instrument's next re-pricing or maturity date. This analysis is conducted on monthly basis. Duration Analysis on Economic Value of Equity: A weighted maturity/re-pricing schedule is used to evaluate the effects of changing interest rates on bank's economic value by applying sensitivity weights to each time band. Such weights are based on estimates of the duration of the assets and liabilities that fall into each time band. The duration analysis is conducted on quarterly basis. Stress Testing: It is used for measuring the Interest rate risk on its Balance Sheet exposure for estimating the impact on the Capital to Risk Weighted Assets Ratio. Stress Testing is conducted on quarterly basis 																
Quantitative Disclosures																	
<p>The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).</p>	<p>The plausible Interest rate risk in Banking book as of Dec 31, 2018 is calculated as below:</p> <p>Interest Rate Sensitivity Analysis:</p> <table border="1"> <thead> <tr> <th>Interest rate change</th> <th>1%</th> <th>2%</th> <th>3%</th> </tr> </thead> <tbody> <tr> <td>Change in Net Interest Income in short term bucket (Tk in crore)</td> <td>(31)</td> <td>(61)</td> <td>(92)</td> </tr> </tbody> </table> <p>Duration Gap Analysis:</p> <table border="1"> <thead> <tr> <th>Interest rate change</th> <th>1%</th> <th>2%</th> <th>3%</th> </tr> </thead> <tbody> <tr> <td>Change in market value of equity (Tk in crore)</td> <td>(245)</td> <td>(489)</td> <td>(734)</td> </tr> </tbody> </table>	Interest rate change	1%	2%	3%	Change in Net Interest Income in short term bucket (Tk in crore)	(31)	(61)	(92)	Interest rate change	1%	2%	3%	Change in market value of equity (Tk in crore)	(245)	(489)	(734)
Interest rate change	1%	2%	3%														
Change in Net Interest Income in short term bucket (Tk in crore)	(31)	(61)	(92)														
Interest rate change	1%	2%	3%														
Change in market value of equity (Tk in crore)	(245)	(489)	(734)														

Table 07: MARKET RISK – DISCLOSURES RELATING TO MARKET RISK IN TRADING BOOK

Qualitative Disclosures	
a) Views of BOD on trading/investment activities	<p>Market risk is the risk of potential losses in the on-balance sheet and off-balance sheet positions of a bank, stems from adverse movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices. Market risk exposure may be explicit in bank's trading book and banking book. The objective of the market risk management is to minimize the impact of losses on bank's earnings and shareholders' equity.</p> <p>Bank has an overarching framework that sets out the approach to internal governance. This guide establishes the mechanisms and processes by which the Board directs the organization, through setting the tone and expectations from the top, delegating authority and monitoring compliance.</p>
b) Market Risk Management system	<p>Bank follows a market risk management process that allows risk-taking within well-defined limits in order to create and enhance shareholder value and to minimize risk. Regular market risk reports are presented to the Board's Risk Management,, Assets & Liabilities Management Committee, Management Risk Committee and Investment Committee.</p> <p>Board and Board's Risk Management Committee have the superior authority to set market risk management strategy. Board has delegated its technical functions to the Assets & Liabilities Management Committee, Management Risk Committee and Investment Committee. To administer technical policies concerning financial models and risk management techniques and to implement bank's market risk management policies, procedures and systems, Asset Liability Management desk, Market Risk Management desk and Treasury Middle Office are functioning in tandem.</p>
c) Policies and processes for mitigating market risk	<p>Bank has Foreign Exchange Risk Management Policy, Asset Liability Management Policy and Investment Policy, duly approved by the Board of Directors. These policies delineate the management process of Market Risk Factors. The Bank reviews these policies preferably on yearly basis for effective management of interest rate risk, liquidity risk and foreign exchange risk.</p> <p>Bank measures its market risk exposure using Value at Risk (VaR) Model which is a quantitative approach to measure potential loss for market risk. Stress Testing is used on asset and liability portfolios to assess sensitivity on bank's capital in different situations including stressed scenario. This test also evaluates resilience capacity of the bank.</p>
d) Methods used to measure Market risk	<p>Risk tolerance limit, Management Action Triggers (MAT) and Stop loss limit are in place to limit and control loss from trading assets. Notional limit and Exposure limits are set for Trading portfolios and Foreign Exchange Open Position. Foreign exchange risk is computed on the sum of net short positions or net long positions, whichever is higher, of the foreign currency positions held by the Bank.</p>

Quantitative Disclosures

The capital requirements for:

- interest rate risk;
- equity position risk;
- foreign exchange risk; and
- Commodity risk.

Capital Allocation for Market Risk is calculated using Standardized Approach as below:

Solo Basis:

Capital Requirement for	Amount in crore Tk
Interest rate risk	3.15
Equity position risk	58.40
Foreign Exchange risk	27.13
Commodity risk	0.00
Total capital requirement	88.68

Consolidated Basis:

Capital Requirement for	Amount in crore Tk
Interest rate risk	3.15
Equity position risk	119.14
Foreign Exchange risk	27.13
Commodity risk	0.00
Total capital requirement	149.42

Table 08: OPERATIONAL RISK

Qualitative Disclosures	
a) Views of BOD on System to reduce Operational risk	Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people and system or impact of external events. The definition includes legal risk but excludes strategic and reputation risk. Board of Directors (BOD) of City Bank Limited has established operational risk management process to control operational risk. It is largely managed through internal controls, audit system, and operational risk management segment. The policies for managing operational risks are approved by the BOD following relevant guidelines of Central Bank.
b) Performance gap of executive and staffs	City Bank Limited demonstrates commitment to achieve the team objectives and is always dedicated to develop and make individual confident enough to push their limits. It mobilizes human resources effectively to ensure that strong corporate performance is delivered. City Bank Limited aims to create a workplace which rewards individuals for their efforts, promotes work-life balance, offers employees the opportunities to grow by facilitating personal development through different types of learning intervention. To carry out the aim, City Bank Limited offers competitive, performance-based compensation, a generous benefits program, and several employee assistance programs.
c) Potential external events	External events may derive systematic and unsystematic risk. The frequency of the events may be low but City Bank Limited remains vigilant about its role. City Bank Limited adopts different strategy to mitigate the negative effect of systematic risk within tolerable limit. City Bank Limited has also developed different policies and processes to diversify unsystematic risk. Different contingency plans for business continuity, train up and aware the employees about anti-money laundering, fraud, forgery, cybercrime, emergency situation etc. are contributing towards managing operational risk.
d) Policies and processes for mitigating operational risk	Operational risk is inherent in every business organization. Therefore necessary policies and processes are developed by the bank. City Bank Limited has a Management Risk Committee (MRC), composed of members of senior management of various risk functions, headed by CRO to oversee various risks of the banks including operational risk. Activities of MRC are implemented through independent Risk Management Division (RMD) of the bank. RMD pinpoints, analyzes, and highlights different dimensions of operational risks and reports to the Management, Board, and stakeholders. Internal Control and Compliance Division (ICCD) of City Bank Limited monitors and controls operational procedure of the bank by undertaking periodic and special audit of branches, departments, and divisions to review of the operation and compliance of statutory requirements. The reports are submitted and subsequently reviewed by the Audit Committee of the Board (ACB) who directly oversees the activities of ICCD to control operational risks. City Bank Limited has a distinct Operational Risk Division with responsibility for providing support to all channels and units on Audit, Compliance, fraud investigation, and regulatory guidance. This division works as a bridge between ICCD, HR and Branch Banking. The City Bank also has a Fraud Risk Management (FRM) Division that comprised of three distinct departments - Fraud Detection, Investigation & Vigilance, and Chargeback & Dispute Management. All of these departments are pledged to tighten the loose rivets that may exist in the retail business.
e) Approach for calculating capital charge for operational risk	City Bank has adopted Basic Indicator Approach (BIA) to assess the capital charge for operational risk as of the reporting date. Accordingly, Bank's operational risk capital charge has been assessed at 15% of positive annual

average gross income over the previous three years as defined by the guideline of Risk Based Capital Adequacy (RBCA).

Quantitative Disclosures

Capital Requirement for Operational Risk for the year 2018:

Sl. No.	Particulars	Amount in crore Tk
01	Capital Charge for Operational Risk under MCR (Solo Basis)	232.95
02	Capital Charge for Operational Risk under MCR (Consolidated Basis)	243.86

Table 09: LIQUIDITY RATIO

Qualitative Disclosures	
a) Views of BOD on System to reduce liquidity risk	Liquidity risk is the risk to the bank's earnings and capital arising from its inability to timely meet obligations when they come due without incurring unacceptable losses. Liquidity risk primarily arises due to the maturity mismatch associated with assets and liabilities of the bank. Therefore, The Board of Directors of the bank set policy, different liquidity ratio limits and risk appetite for liquidity risk management.
b) Liquidity risk management system	The Board of Directors of the bank set policy, different liquidity ratio limits, and risk appetite for liquidity risk management. Asset and Liability Management Committee is responsible for both statutory and prudential liquidity management. Ongoing liquidity management is discussed as a regular agenda of ALCO meeting, which takes on a monthly basis. At the ALCO meeting, bank's liquidity position, limit utilization, changes in exposure and liquidity policy compliance are presented to the committee. Asset Liability Management Desk closely monitors and controls liquidity requirements on a daily basis.
c) Methods used to measure liquidity risk	Key liquidity metrics on both local currency and foreign currency balance sheets are monitored to evaluate the liquidity mismatches and prudential limits such as: <ul style="list-style-type: none"> ▪ Cash Reserve Ratio (CRR) ▪ Statutory Liquidity Requirement (SLR) ▪ Advance to Deposit Ratio (ADR) ▪ Structural Liquidity Profile (SLP) ▪ Maximum Cumulative Outflow (MCO) ▪ Liquidity Coverage Ratio (LCR) ▪ Net Stable Funding Ratio (NSFR) ▪ Liquid Asset to Total Deposit Ratio ▪ Liquid Asset to Short Term Liabilities ▪ Undrawn Commitment Limit ▪ Wholesale Borrowing
d) Policies and process for mitigating liquidity risk	Liquidity Risk Management is guided by Asset Liability Management Policy of the bank. Liquidity risk management and Liquidity Contingency Plan are the two major aspects in the ALM policy. The Liquidity Contingency Plan clearly defines the responsibilities of the Contingency Management Team and ensures the business continuity through close monitoring of the Bank's liquidity position against the pre-defined liquidity Management Action Triggers

Quantitative Disclosures			
Sl. No.	Particulars	Solo	Consolidated
01	Liquidity Coverage Ratio	115.33%	116.94%
02	Net Stable Funding Ratio (NSFR)	107.35%	108.26%
03	Stock of High Quality Liquid Assets (Tk in crore)	4,019.93	4,020.44
04	Total net cash outflows over the next 30 calendar days (Tk in crore)	3,485.50	3,437.71
05	Available amount of stable funding (Tk in crore)	20,798.70	20,782.79
06	Required amount of stable funding (Tk in crore)	19,374.82	19,197.51

Table 10: LEVERAGE RATIO

Qualitative Disclosures			
a) Views of BOD on System to reduce excessive leverage	a) Basel III guidelines introduced a simple, transparent, non-risk based ratio known as leverage ratio in order to avoid building-up excessive on and off balance sheet leverage in the banking system. City Bank has embraced this ratio along with Basel III guideline as it act as a credible supplementary measure to risk based capital requirement and assess the ratio periodically in order to properly address the issue.		
b) Policies and processes for maintaining excessive on and off-balance sheet leverage	b) Revised guideline of RBCA based on Basel III as provided by BRPD of Bangladesh Bank is followed by the bank while managing excessive on and off-balance sheet leverage of the bank. As per RBCA leverage ratio shall be Tier I Capital divided by Total Exposure after related deductions.		
c) Approach for calculating exposure	c) City Bank follows the approach mentioned in the revised RBCA for calculating exposure of the bank. The exposure measure for the leverage ratio generally follows the accounting measure of exposure. In order to measure the exposure consistently with financial accounts, the following are applied by the bank: <ul style="list-style-type: none"> a. On balance sheet, non-derivative exposures will be net of specific provisions and valuation adjustments. b. No Physical or financial collateral, guarantee or credit risk mitigation is considered. c. No Netting of loans and deposits is considered 		
Quantitative Disclosures			
Sl. No.	Particulars	Solo	Consolidated
01	Leverage Ratio (%)	5.24%	4.56%
02	On balance sheet exposure (Tk in crore)	32,029.23	32,245.25
03	Off balance sheet exposure (Tk in crore)	9,158.42	9,158.42
04	Total exposure (Tk in crore)	41,077.28	41,098.96

Table 11: REMUNARATION

Qualitative Disclosure	
a) Information relating to the bodies that oversee remuneration.	<p>Governing body of Remuneration Policy and Process: City Bank has a board approved Compensation and Benefit Policy that outlines the rules relating to compensation structure and the benefit package of the organization and gives detailed procedures for exercising them in order to promote fair treatment and consistency within the Bank. The policy is approved by Board, while it is the Management that implements the same across the organization. However, operational aspects of the policy are being taken care by Human Resources (HR) Division of the bank.</p> <p>External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process: City Bank takes help of external consultant for certain areas during designing the remuneration under Compensation and Benefit Policy. Assignment of any consultancy services is carried out in line with Board approved Procurement Policy of City Bank, while each consultant is appointed by Management/Board, as appropriate. At City Bank we have practice to appoint following consultants, as and when required:</p> <ul style="list-style-type: none"> ▪ Tax advisors on salary and benefits ▪ Actuary for valuation of gratuity ▪ Auditor for provident fund and gratuity ▪ Salary survey vendors ▪ Head hunters, etc. <p>Scope of the City Bank Remuneration Policy: Policy applies to all the permanent employees of the bank. Additionally, separate Compensation and Benefit Package is usually approved for temporary and casual staffs on case basis. Any other benefit is guided by the contract agreement with individual employees.</p> <p>Material Risk Takers and Senior Management of City Bank: At City Bank, Chief Executive Officer and other members of Management Committee (MANCOM) hold the prime authority to take key decisions and ultimate implementation. As such, CEO and MANCOM are considered as material risk takers and Senior Management. However, in course of implementation Division Heads also play a pivotal role in banking business. Composition of MANCOM as on 31 December 2018 is provided below:</p> <ul style="list-style-type: none"> ▪ MD & CEO 01 ▪ AMD 01 ▪ DMD 06 ▪ SEVP 02 ▪ EVP 03 ▪ SVP 02
b) Information relating to the design and structure of remuneration processes	<p>Objectives and key features of Remuneration Policy: Compensation and Benefits policy of City Bank outlines the rules relating to compensation structure and the benefit package of the organization and gives detailed procedures for exercising them with the objective of promoting fair treatment and consistency across the Bank. Additionally, Compensation to be commensuration to individual's performance, desired role in the organization, quality of past experience, quality of training received, technical competency. Key features of the policy besides the base salary are</p> <ul style="list-style-type: none"> ▪ Provident Fund ▪ Gratuity Benefit ▪ Group Term Life Insurance

	<ul style="list-style-type: none"> ▪ Bonuses ▪ Medical Benefits ▪ Various Allowances ▪ Financial Assistance Schemes ▪ Advance Salary etc. ▪ House building loan facility ▪ House Building loan insurance ▪ Car loan facility <p>Review of Remuneration Policy: As per the policy, compensation structure of the Bank will be reviewed as and when management deem appropriate to allow for adjustments in the Cost of Living and market forces pertaining to the Banking industry. The HR Division is responsible for initiating the review process and their recommendations are approved/ disapproved or amended by the Governing Body. In the latest review, City Bank incorporated House Building Loan Insurance, and upgraded as well as enhanced the scope of Group Hospitalization Plan, Car Purchase Plan.</p> <p>Independence of Risk & Compliance employees from businesses they oversee: CRO supervises bank’s overall risk management activities which is independent from business verticals and reports to Board’s Risk Management Committee. On the other hand, all compliance professionals report to Head of Internal Control and Compliance Division (ICCD) and Head of Audit reports to Board’s Audit Committee. Hence, their evaluation process is also independent of the Businesses they oversee.</p>
c) Information relating to the design and structure of remuneration processes	<p>Key risks taken into account when implementing remuneration measures: In the competitive financial sector like Bangladesh, remuneration system is basically driven by market dynamics. Due to huge competition in a crowded market with substantial number of participants, restructuring of compensation package is more frequent than other industries. However, such revisions sometimes may lead to market distortion, excessive profit motive and disparity in work-life balance. Nevertheless, City Bank always strives to design the remuneration strategies so that the competitive staffs are rewarded compensation package they really deserve. On top of it, City Bank is committed to ensure maintaining internal equity and fair treatment in its compensation system across the organization.</p> <p>Key measures used to take account of these risks: To make the compensation package judicious, market survey is conducted as and when felt required so that the package logically compensates employee for their expertise, time, mental and social engagement with the organization.</p> <p>Ways in which these measures affect remuneration: These measures ensure that the remuneration process of City Bank is</p> <ul style="list-style-type: none"> ▪ Commensuration to individual’s performance, desired role in the organization, quality of past experience, quality of training received, technical competency. ▪ Fair and Equal for different position of the bank ▪ In line with the market dynamics and practices <p>Changes in the nature and type of these measures over the past year: No significant amendment of the remuneration system took place other than that mentioned above.</p>
d) Description of the ways in which the bank seeks to link performance during a	<p>Overview of main performance metrics of City Bank: At City Bank, we believe in a performance based management culture. We believe that all employees working with us must be evaluated in a fair and</p>

<p>performance measurement period with levels of remuneration</p>	<p>transparent manner and the Performance Management Policy of City Bank ensures that. As per policy, performance evaluation is done for all permanent employees once every year. Additionally, to make the process more structured and to provide a direction to the employee on his/her performance, a midyear review is also performed. These evaluation are done based on two main parameters</p> <ul style="list-style-type: none"> ▪ Performance objectives of the employee ▪ Behavioral indicators of the Values of City Bank <p>Linkage between remuneration and performance: The overall rating of an individual will be based on the cumulative rating of above mentioned two parameters. In order to translate performance into remuneration, City Bank associates this overall rating of an individuals with different features of remuneration policy such as yearly increment, bonuses etc. In City Bank’s case, Club 1 is the highest rating whilst Club 5 is the lowest.</p> <p>Adjustment of remuneration in the event that performance metrics are weak: The Performance Management Policy of City Bank is dynamic in nature that considers overall performance scenario of the bank while ensuring fair and transparent evaluation of individuals.</p>
<p>e) Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance</p>	<p>City Bank believes that the individual and team effort and performance should be regularly appreciated and recognized so as to keep our employees motivated to give in their best efforts. And more importantly by recognizing these performances, we reinforce, with our chosen means of recognition, the actions and behaviors we want City Bank employees to repeat most.</p> <p>City Bank relates yearly overall rating of individuals which is based on their performance with different features of remuneration policy such as yearly increment, bonuses etc. Additionally, two or more years of rating are also considered for promotion recommendation of individuals if suitable opening is available commensurate with individual skills and expertise.</p>
<p>f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms</p>	<p>City Bank recognizes the effort and performance of its employees based on its Compensation and Benefit policy which consist of base salary and different benefit packages mentioned earlier. However, City Bank occasionally practice commission based remuneration process for temporary staffs as per their Compensation and Benefit Package</p>

Quantitative Disclosure	
Number of meetings held by the main body overseeing remuneration during 2018 and remuneration paid to its member	NA*
Number of employees having received a variable remuneration award during 2018 Number and total amount of guaranteed bonuses awarded during 2018	NA** 2 Festival Bonus (32.35 crore)
Number and total amount of sign-on awards made during 2018	NA**
Number and total amount of severance payments made during 2018	NA**
Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. Total amount of deferred remuneration paid out in 2018.	NA**
Breakdown of amount of remuneration awards for 2018 to show: <ul style="list-style-type: none"> ▪ Fixed and Variable ▪ Deferred and Non-deferred ▪ Different forms used (cash, shares and share linked instruments, other forms) 	NA
Quantitative information about employees' exposure to implicit and explicit adjustments of deferred remuneration and retained remuneration: <ul style="list-style-type: none"> ▪ Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments ▪ Total amount of reductions during the financial year due to ex post explicit adjustments ▪ Total amount of reductions during the financial year due to ex post implicit adjustments. 	NA

Note:

* In City Bank, no separate and exclusive meeting of the governing body takes place to oversee the remuneration. Rather, HR is assigned to initiate any proposal on remuneration as per the Compensation and Benefit Policy of the bank and upon consent of the management committee same is also placed to regular Board meeting for approval and further actions.

** During 2018, Compensation and Benefit Policy of City Bank did not have provision of any kind of variable remuneration, deferred remuneration, severance payment, sign-on awards or other forms of remuneration as mentioned above for its permanent staff. However, City Bank provides commission based remuneration to its temporary and casual staffs which doesn't fall under the scope of above mentioned policy.